

Mc Carley

8 March 1974

NOTE FOR: Mr. Brownman

SUBJECT : State of Management and Services

STA I believe that there are several points or themes which might be covered by you in your "State of Management and Services" meeting--either in focusing on these issues at the end of your formal presentation, or in responding to question; possibly [] can expand upon these themes and/or the Office Directors can provide additional insight at the weekend conference:

1. ~~Watergate~~: Obviously we are in a fluid situation, and the situation may change by 15 March 1974, but Watergate has created a significant "credibility" problem for OLC, and we are getting by on good rapport that has been established through the years. Quite aside from the basic issue re Agency involvement in Watergate, a question has been raised concerning compartmentation, and the way that the Agency has been managed--in terms of the right hand not knowing what the left hand is doing. The end result is that we can no longer look forward to special exemptions in legislative matters--a privilege which we enjoyed through the years. The Agency is in for some rough sledding in the near future and it might very well be that the National Security Act of 1947 will be amended to emphasize our "foreign" intelligence responsibilities.

2. ~~Equal Employment Opportunity Program~~: I do not have figures or statistics immediately available, but our track record, with the possible exception of Logistics, is not good. I would suggest that some expression of support be given to the program, in a very positive way. In this regard, I think it might be advisable to tie FEO into the MBO program, and the periodic conferences with Office Directors--indicating that FEO is automatically on the agenda, it is not merely a once-a-year thing, and we are determined to look over the shoulders of Office Directors until there is a significant improvement. The same applies to the training of Blacks and females who are already on board.

3. ~~Management by Objective~~: I believe [] is preparing something for you on your MBO "philosophy" and this is important. I also think that you should build upon the theme that most Offices initially did not like MBO and did accept it with considerable reluctance--possibly because of paperwork and the thought that they were losing some degree of independence. In any case, the more recent interviews with Office Directors produced some candid comments--to the effect that MBO is a use-ful tool, it is helping in the managing of offices, and work is being done more efficiently and effectively. There remains the legitimate concern that the system be kept reasonably "simple"-- but MBO is not for special staffs, it must be utilized by managers through the chain of command.

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4. Personnel Reductions: I think the point should be made that there have been personnel reductions in the past which were not handled well from a management standpoint--both in terms of sympathetic understanding treatment of old line employees, and in accurately assessing the past performance of employees. The 201 program of some years back is well remembered. At this point, there should be some reference to the commitments of the DCI, as outlined in his "horror charts" and our objective of going about a reduction in an orderly sensible way, so that we do not lose good people. In this regard, there is also considerable effort being made to accurately assess the "functions" of the various components, so that we have some accurate measure of the impact of any cuts, regardless of the Directorate involved. The Jack Iams committee, involving Associate Deputy Directors, is being quite useful in this area.

5. Training: The most important asset of the Agency remains the well-trained and well-qualified personnel in the organization. At a time of personnel reductions, when we have to do more with less, it behooves us to utilize computers and other technical systems which permit increased efficiency. At the same time, greater emphasis must be given to the training of all Agency employees, and this is one reason that I have put increased stress on the off-campus program, so that the training is available to our people. I have put increased stress on "job enhancement" rather than a strict legal interpretation of "job related" in connection with Agency support to training. In the end, however, the Directorate can provide for increased opportunities in the training area, but it remains the individual responsibility of officers to show some initiative and drive in taking advantage of the situation. We can lead them to water, but we can't make them drink.

6. Lateral Mobility: I favor this program in concept, and would hope that there might be increased cross-fertilization between DD/M&S offices and between Directorates. It is the best education in the world for senior management responsibilities, and certainly the background and experience of Jack Blake speaks well of the advantages in this area. However, as with all programs, there should be some order and system involved, and I do not want to push for transfers or reassignments merely for the sake of having movement. There may certainly be room for some specialists within the Directorate and within the Agency who should not be "cross-fertilized."

7. Comptroller's Office: The original concept of Mr. Schlesinger was to have this under the cognizance of the Deputy Director for Management and Services, and this was the original charter established in early 1973. Most certainly any organization takes on the personal style or image of the head of the organization, and Mr. Colby has made a number of changes which reflect his own method of managing the Agency. He has seen fit to bring the Office of the Comptroller under his direct cognizance, my staff works quite closely with Jack Iams, [] and other members of the Comptroller's office, and the system is certainly functioning. My Associate Deputy, Jack Blake is a member of a working group chaired by Jack Iams, and there is a close working relationship with a number of DD/M&S offices, including OL, OP, and OJCS. [] STAT [] on the DD/M&S Staff is in very close contact with [] on problems of mutual interest. STAT